GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5650
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Black Money
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has estimated the amount of black money in form of old Rs.500 and Rs.1000 that have not been deposited during the course of the demonetisation drive, if so, the details thereof and the action taken to recover the said amount;

(b) the total number of persons who deposited more than Rs. 5 lakhs of old currencies during demonetisation, States/UTs and Bank-wise;

(c) whether as per bank guidelines no loan can be repaid in cash during demonetization and if so, the details thereof;

(d) whether a number of loan account holders paid the loan amount in cash during the demonetisation period; and

(e) if so, the details thereof along with the action taken by the Government against such loan account holders?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): There is no official estimation of the amount of black money in form of old Rs. 500 and Rs. 1000 that have not been deposited during the course of the demonetisation drive.

(b): As reported by 1735 reporting entities from all parts of the country, cash deposits of more than Rs. 5 Lakhs were made in about 23.87 lakh accounts between 08.11.2016 to 30.12.2016. Separate details of such deposits in old and new currency are not maintained.

(c): As per extant guidelines of the Reserve Bank of India (RBI), repayment of outstanding loan amount in cash is not prohibited.

(d): During the period 08.11.2016 to 30.12.2016, cumulative cash deposits of more than Rs. 25 lacs of all kinds were made in about 4.62 lakh loan accounts. Separate details of such deposits in old and new currency are not maintained.

(e): On December 8, 2016, a detailed instruction was issued by the RBI to banks, advising them to track movement of cash in large quantities to ensure that the extant instructions of the RBI are followed both in letter and spirit. RBI also forwarded an illustrative list of action points to the banks with advice to utilise their internal resources to monitor the position and bring any anomaly noticed to their Audit Committee of the Board.

The Income-tax Department (ITD) conducted more than 1100 search and survey actions and issued about 5100 notices during the same period for verification of suspicious transactions of high value cash deposits. These actions led to seizure of valuables of more than Rs 610 crore which includes cash of Rs. 513 crore and admission of undisclosed income of more than Rs. 5400 crore till 10 January, 2017.

Further, the ITD has initiated "Operation Clean Money" on 31st January 2017 to leverage technology and data analytics for e-verification of cash deposits made during the demonetization period. In the initial phase, about 17.92 Lakh persons whose tax profiles were not in line with the cash deposits made by them during the demonetization period were identified. Online responses as per pre-defined parameters on source(s) of cash deposited were sought. More than 12 lakh responses have been received. Evaluation of such responses and further actions are part of on-going processes of the ITD which includes enquiries, assessments, levy of penalty and filing prosecution complaints in appropriate cases wherever applicable.

Persons who paid the loan amounts in cash during demonetization period and who were covered within the parameters of cases selected for verification are part of the aforesaid verification process.

Further, disclosure of information in respect of specific persons is prohibited except as provided under section 138 of the Income-tax Act, 1961.